

WRITTEN TESTIMONY OF

GEORGE LARSON
AIRPORT DIRECTOR
JACKSON HOLE AIRPORT, WYOMING

BEFORE THE

COMMITTEE ON TRANSPORTATION AND INFRASTRUCTURE
SUBCOMMITTEE ON AVIATION
UNITED STATES HOUSE OF REPRESENTATIVES

ON

THE RESULTS OF THE AIRPORT SCREENER PRIVATIZATION
PILOT PROGRAM (PP5)

APRIL 22, 2004
10:00 A.M. , 2167 RAYBURN HOUSE OFFICE BUILDING

Larson Testimony

Mr. Chairman, Congressman DeFazio, and Members of the Subcommittee, thank you for your invitation to discuss the results of the Airport Screener Privatization Pilot Program (PP5) at the Jackson Hole Airport.

The Jackson Hole Airport Board, which operates the Airport, has been responsible for the security screening of passengers and baggage as required by FAA and now TSA for over twenty years. As a strictly Origin & Destination Airport, we screen all of the commercial airline passengers who use the Airport. Baggage screening is accomplished with Explosive Trace Detection equipment (ETDs) located behind our airline ticket counters. The Board provided screening services to the Airlines prior to September 11, 2001 and to both FAA and subsequently TSA after 9/11. Our experience in providing screening and a stable work force in a resort area was the catalyst that prompted our proposal to the Federal Government to become a private screening contractor under the PP5 initiative.

The Airport is located in Teton County Wyoming, which has only three percent of the land available for private ownership, and was recently rated by the IRS as the wealthiest county in the nation. These conditions, combined with the strong area appeal due to the surrounding scenic beauty of the Grand Teton and Yellowstone National Parks and the plentiful outdoor recreational opportunities, create a tremendous challenge regarding housing and economic survival of a local workforce, including airport security screeners.

Post 9/11 the PP5 initiative of the Aviation and Transportation Security Act (ATSA) provided an opportunity for the Airport Board to continue to provide pre-departure passenger and baggage security screening using a previously successful small and personal management model.

Larson Testimony

Our private contract screening program has not been perfect, but it has been a success. We do continually strive for improvement. Independent Customer Service surveys are conducted each summer and winter season to assure quality screening performance. We will always have the challenge of dealing with a seasonal schedule having peak periods in both summer and winter and very little activity during the intervening shoulder seasons. In addition, our high cost of living impacts both hiring and workforce stability. Our success leads us to believe that our program should be considered as one of the models for the opt-out program. Specifically, the following is offered as rationale for airports, especially smaller airports, to consider acting as the private screening contractor.

- 1. The mission of all airports is, and always has been, to operate their facilities and provide services to the public that assure the safety and security of the traveling public. In accomplishment of this mission, we are required to adhere to a myriad of federal regulations and requirements. Federal security screening contracts fit perfectly into this mission because airports have a strong, vested interest in security.**
- 2. Under a private screening contract, when the Airport provides the private screening, there is no need to coordinate with a third agency (the outside private screening company). This streamlines the entire management process.**
- 3. An airport authority screening contract management approach provides greater efficiency in responding to the needs of the airlines. For example, increased airline boardings can be accommodated directly at the local level without additional FSD or DFSD coordination.**
- 4. With the airport private screening model there is direct, hands-on management. Therefore, reaction time is short, and changes in federal requirements or requests from the FSD can be implemented in a very short time period, if not immediately.**

Larson Testimony

5. The airport administrative function can normally manage a screening contract with less overhead personnel cost because in-place administrative and human resource functions can absorb a portion of the contractual task load.

6. Seasonal activity fluctuations can be met with creative methods of staffing, while hours worked in the slow season can be reduced through voluntary time off without pay. The airport screening model also provides the opportunity to exercise greater flexibility in meeting the needs of employees, which improves moral and interpersonal relationships on the job.

7. TSA comparable wages in addition to an attractive benefit package are quite feasible with the airport authority screening contractor. This, in turn, allows the airport to hire, and in most cases retain, quality people.

8. The Airport can provide tailored in-house training to assure the highest level of performance from their security screeners. This can vary from directly related security screening training to other training (e.g. customer service and sexual harassment) as needed.

Instrumental to any Jackson Hole Airport Board success has been the team approach taken by our FSD, Jim Spinden, and resident DFSD, Joseph Sebastian. Their oversight, cooperation, and dedication have made our efforts to conduct this private screening test program a very productive, rewarding, and enjoyable experience. They are TSA role models.

While the Jackson Hole Airport Board believes that the private screening option has a great deal of promise for interested airports, there are several areas of the process, or contract management that would benefit from improvement.

Larson Testimony

The goal of the TSA was to assure the quality of the screener workforce through the assessment process. The contractual agreements with private firms to provide assessment services may have worked well for processing candidates at large airports, but it is not cost effective or efficient on a per person basis for non-hub, smaller airports . Granted we can send personnel to a large assessment center, if it is set up and operating. However, the questionable availability and added cost of travel and per diem make this an unattractive solution. We continue to recommend that assessments be done at the FSD level. This would significantly reduce costs by not requiring that a high cost contractor assessment center be set up each time the hiring of a relatively small number of people is required. Assessments at the FSD level would allow government and private screening companies to be more cost effective in hiring and staff management because they would be more responsive to the demands of peak and off peak periods and inconsistent or changing airline schedules. The present assessment process is cumbersome, costly and leads to unacceptable delays in hiring replacement personnel for many of the Nation's airports.

Training is another area where improvements can be made. Lockheed continues to provide excellent initial training. The problem is that this initial training has not been available to some of the private contractors, and I suspect some TSA managed airports, in a reasonable period following the assessment process. As a result some candidates have had to wait as much as two months before receiving initial training. Therefore, some candidates decide to accept employment elsewhere. The loss of assessed and credentialed candidates is not only costly, but exacerbates the delay in replacing screeners. Often the airport is left with insufficient staffing or no ready pool from which to hire. We believe that in the future this initial classroom training could be effectively conducted by the local FSD at lower cost without lengthy delays following assessment.

Larson Testimony

Follow-on or recurrent and continuous TSA training is lacking for the private contractors. We have not yet received an on-line learning center (OLC), which is critical in providing the planned TSA curriculum and computer training. Additionally the private contractors should be allowed to hire, as a part of their contract, a training coordinator to assure that the quality and documentation of training is accomplished and meets TSA's goals.

The private screening contractors need greater flexibility in performing our contractual obligations. The pilot program was created to provide to Congress, TSA, and the public an evaluation of how well a non-federal screening company could deliver pre-departure screening services in full compliance with the Standard Operating Procedures established by the TSA. More flexibility is essential if private contractors are expected to be able to demonstrate the benefits of a private contract program. Less flexibility only serves to undermine an objective evaluation of the private screening program. In the future, within a negotiated contract cost cap, the government should let the private contractor determine the number and promotion selection of employees, manage the timing related to hiring and training of screeners and methods of accomplishing training, structure employee advancement, incentive and benefit programs, and create a preferred management approach. Because the Jackson Hole Airport Board enjoyed a certain degree of flexibility in their contract, we were able to operate during the first year of the contract at 15% or \$522,956 below the contract ceiling.

Airports conducting private contract screening is a natural. The pilot program has provided the opportunity to prove that private screening conducted by an airport authority can be effective and efficient. The Jackson Hole Airport Board's security screening performance is at least equal to similar non-hub airports with TSA screening. We completed the first year of our contract considerably below our contract cost ceiling. In short, the pilot program has provided a positive outcome for our contract model. There are those who would suggest that airport authorities should not be allowed to act as private screening companies. We hope that the PP5 initiative has provided proof that airports

Larson Testimony

have distinct advantages in providing quality security screening at competitive prices, and should be allowed to compete for private screening opportunities under the opt-out program. There is no conflict of interest when airports conduct security screening under TSA rules, procedures and oversight. In fact there is a synergistic benefit derived from airport authority provided screening due to lower management overhead and streamlined management action.

As the pieces of the Airport Security Opt-Out program fall into place, the TSA and private contractor screener workforce need to know that everything possible, including cross-hiring between qualified federal and private screeners is done to assure their job security.

I appreciate the opportunity to testify before the Subcommittee today. I would be pleased to answer your questions at the appropriate time.

Larson Testimony

**George Larson
Airport Director
Jackson Hole Airport, Wyoming**

George Larson serves the Jackson Hole Airport Board as the director of the Jackson Hole Airport. The Airport, located nine miles north of Jackson, is the Category III Airport selected for TSA's pilot program to test private screening initiatives, and processed 217,000 passenger enplanements during 2003. The Airport Board is the private company selected to provide pre-departure passenger and baggage screening for the Transportation Security Administration at the Jackson Hole Airport.

The Airport is operated by the Jackson Hole Airport Board, formed by the Town of Jackson and County of Teton under Wyoming Statutes. The Board is a "body corporate, empowered to sue and be sued," and "the corporation shall have perpetual existence." As such the Board is not a political subdivision, but rather is a governmental corporation.

Mr. Larson joined the Airport as Director in August of 1992. He has been responsible for the required security screening of passengers and baggage since 1992 because the Airport has conducted those tasks for the airlines, FAA and now TSA for the last twenty years.

Prior to serving as the Director, Mr. Larson served over thirty years as an officer in the United States Air Force. He retired as a Major General in August, 1992.

**Jackson Hole Airport Board
Truth in Testimony Rule Disclosure**

Contracting Authority: U.S. DHS, Transportation Security Administration

Contract Number: DTSA20-03-C-00562

Contract Date: 11/18/02

Contract Amounts:

Year 1 \$3,522,603 (actual cost to TSA = \$2,994,022)

Option Year \$3,542,099

Notice of DHS exercise of Option Year received 11/18/03 extending performance through 11/18/04